



February 25, 2005

HOUSE BILL No. 1701

DIGEST OF HB 1701 (Updated February 23, 2005 6:59 pm - DI 73)

Citations Affected: IC 6-1.1; IC 20-14; noncode.

Synopsis: Willard Library governance. Allows a county library board to levy a tax for Willard Library. Provides that the property taxes imposed for Willard Library are not eligible for state property tax replacement credits or homestead credits.

Effective: July 1, 2005; January 1, 2006.

Avery, Becker

January 19, 2005, read first time and referred to Committee on Local Government.
February 24, 2005, amended, reported — Do Pass.

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HB 1701—LS 7726/DI 109+



February 25, 2005

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

HOUSE BILL No. 1701

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-21-2 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 2. As used in this
3 chapter:

4 (a) "Taxpayer" means a person who is liable for taxes on property
5 assessed under this article.

6 (b) "Taxes" means property taxes payable in respect to property
7 assessed under this article. The term does not include special
8 assessments, penalties, or interest, but does include any special charges
9 which a county treasurer combines with all other taxes in the
10 preparation and delivery of the tax statements required under
11 IC 6-1.1-22-8(a).

12 (c) "Department" means the department of state revenue.

13 (d) "Auditor's abstract" means the annual report prepared by each
14 county auditor which under IC 6-1.1-22-5, is to be filed on or before
15 March 1 of each year with the auditor of state.

16 (e) "Mobile home assessments" means the assessments of mobile
17 homes made under IC 6-1.1-7.

HB 1701—LS 7726/DI 109+



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(f) "Postabstract adjustments" means adjustments in taxes made subsequent to the filing of an auditor's abstract which change assessments therein or add assessments of omitted property affecting taxes for such assessment year.

(g) "Total county tax levy" means the sum of:

(1) the remainder of:

(A) the aggregate levy of all taxes for all taxing units in a county which are to be paid in the county for a stated assessment year as reflected by the auditor's abstract for the assessment year, adjusted, however, for any postabstract adjustments which change the amount of the aggregate levy; minus

(B) the sum of any increases in property tax levies of taxing units of the county that result from appeals described in:

(i) IC 6-1.1-18.5-13(4) and IC 6-1.1-18.5-13(5) filed after December 31, 1982; plus

(ii) the sum of any increases in property tax levies of taxing units of the county that result from any other appeals described in IC 6-1.1-18.5-13 filed after December 31, 1983; plus

(iii) IC 6-1.1-18.6-3 (children in need of services and delinquent children who are wards of the county); minus

(C) the total amount of property taxes imposed for the stated assessment year by the taxing units of the county under the authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed), IC 12-19-5, or IC 12-20-24; minus

(D) the total amount of property taxes to be paid during the stated assessment year that will be used to pay for interest or principal due on debt that:

(i) is entered into after December 31, 1983;

(ii) is not debt that is issued under IC 5-1-5 to refund debt incurred before January 1, 1984; and

(iii) does not constitute debt entered into for the purpose of building, repairing, or altering school buildings for which the requirements of IC 20-5-52 were satisfied prior to January 1, 1984; minus

(E) the amount of property taxes imposed in the county for the stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

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(F) the remainder of:

- (i) the total property taxes imposed in the county for the stated assessment year under authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus
- (ii) the total property taxes imposed in the county for the 1984 stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(G) the amount of property taxes imposed in the county for the stated assessment year under:

- (i) IC 21-2-15 for a capital projects fund; plus
- (ii) IC 6-1.1-19-10 for a racial balance fund; plus
- (iii) IC 20-14-13 for a library capital projects fund; plus
- (iv) IC 20-5-17.5-3 for an art association fund; plus
- (v) IC 21-2-17 for a special education preschool fund; plus
- (vi) IC 21-2-11.6 for a referendum tax levy fund; plus
- (vii) an appeal filed under IC 6-1.1-19-5.1 for an increase in a school corporation's maximum permissible general fund levy for certain transfer tuition costs; plus
- (viii) an appeal filed under IC 6-1.1-19-5.4 for an increase in a school corporation's maximum permissible general fund levy for transportation operating costs; minus

(H) the amount of property taxes imposed by a school corporation that is attributable to the passage, after 1983, of a referendum for an excessive tax levy under IC 6-1.1-19, including any increases in these property taxes that are attributable to the adjustment set forth in IC 6-1.1-19-1.5 or any other law; minus

(I) for each township in the county, the lesser of:

- (i) the sum of the amount determined in IC 6-1.1-18.5-19(a) STEP THREE or IC 6-1.1-18.5-19(b) STEP THREE, whichever is applicable, plus the part, if any, of the township's ad valorem property tax levy for calendar year 1989 that represents increases in that levy that resulted from an appeal described in IC 6-1.1-18.5-13(4) filed after December 31, 1982; or
- (ii) the amount of property taxes imposed in the township for

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- 1 the stated assessment year under the authority of
 2 IC 36-8-13-4; minus
 3 (J) for each participating unit in a fire protection territory
 4 established under IC 36-8-19-1, the amount of property taxes
 5 levied by each participating unit under IC 36-8-19-8 and
 6 IC 36-8-19-8.5 less the maximum levy limit for each of the
 7 participating units that would have otherwise been available
 8 for fire protection services under IC 6-1.1-18.5-3 and
 9 IC 6-1.1-18.5-19 for that same year; minus
 10 (K) for each county, the sum of:
 11 (i) the amount of property taxes imposed in the county for
 12 the repayment of loans under IC 12-19-5-6 (repealed) that is
 13 included in the amount determined under IC 12-19-7-4(a)
 14 STEP SEVEN for property taxes payable in 1995, or for
 15 property taxes payable in each year after 1995, the amount
 16 determined under IC 12-19-7-4(b); and
 17 (ii) the amount of property taxes imposed in the county
 18 attributable to appeals granted under IC 6-1.1-18.6-3 that is
 19 included in the amount determined under IC 12-19-7-4(a)
 20 STEP SEVEN for property taxes payable in 1995, or the
 21 amount determined under IC 12-19-7-4(b) for property taxes
 22 payable in each year after 1995; **minus**
 23 **(L) the amount of property taxes imposed by a county**
 24 **library board under IC 20-14-7-6; plus**
 25 (2) all taxes to be paid in the county in respect to mobile home
 26 assessments currently assessed for the year in which the taxes
 27 stated in the abstract are to be paid; plus
 28 (3) the amounts, if any, of county adjusted gross income taxes that
 29 were applied by the taxing units in the county as property tax
 30 replacement credits to reduce the individual levies of the taxing
 31 units for the assessment year, as provided in IC 6-3.5-1.1; plus
 32 (4) the amounts, if any, by which the maximum permissible ad
 33 valorem property tax levies of the taxing units of the county were
 34 reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated
 35 assessment year; plus
 36 (5) the difference between:
 37 (A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR;
 38 minus
 39 (B) the amount the civil taxing units' levies were increased
 40 because of the reduction in the civil taxing units' base year
 41 certified shares under IC 6-1.1-18.5-3(e).
 42 (h) "December settlement sheet" means the certificate of settlement

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1 filed by the county auditor with the auditor of state, as required under
2 IC 6-1.1-27-3.

3 (i) "Tax duplicate" means the roll of property taxes which each
4 county auditor is required to prepare on or before March 1 of each year
5 under IC 6-1.1-22-3.

6 (j) "Eligible property tax replacement amount" is equal to the sum
7 of the following:

8 (1) Sixty percent (60%) of the total county tax levy imposed by
9 each school corporation in a county for its general fund for a
10 stated assessment year.

11 (2) Twenty percent (20%) of the total county tax levy (less sixty
12 percent (60%) of the levy for the general fund of a school
13 corporation that is part of the total county tax levy) imposed in a
14 county on real property for a stated assessment year.

15 (3) Twenty percent (20%) of the total county tax levy (less sixty
16 percent (60%) of the levy for the general fund of a school
17 corporation that is part of the total county tax levy) imposed in a
18 county on tangible personal property, excluding business personal
19 property, for an assessment year.

20 (k) "Business personal property" means tangible personal property
21 (other than real property) that is being:

22 (1) held for sale in the ordinary course of a trade or business; or
23 (2) held, used, or consumed in connection with the production of
24 income.

25 (l) "Taxpayer's property tax replacement credit amount" means the
26 sum of the following:

27 (1) Sixty percent (60%) of a taxpayer's tax liability in a calendar
28 year for taxes imposed by a school corporation for its general fund
29 for a stated assessment year.

30 (2) Twenty percent (20%) of a taxpayer's tax liability for a stated
31 assessment year for a total county tax levy (less sixty percent
32 (60%) of the levy for the general fund of a school corporation that
33 is part of the total county tax levy) on real property.

34 (3) Twenty percent (20%) of a taxpayer's tax liability for a stated
35 assessment year for a total county tax levy (less sixty percent
36 (60%) of the levy for the general fund of a school corporation that
37 is part of the total county tax levy) on tangible personal property
38 other than business personal property.

39 (m) "Tax liability" means tax liability as described in section 5 of
40 this chapter.

41 (n) "General school operating levy" means the ad valorem property
42 tax levy of a school corporation in a county for the school corporation's

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general fund.

SECTION 2. IC 6-1.1-21-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 5. (a) Each year the taxpayers of each county shall receive a credit for property tax replacement in the amount of each taxpayer's property tax replacement credit amount for taxes which:

(1) under IC 6-1.1-22-9 are due and payable in May and November of that year; or

(2) under IC 6-1.1-22-9.5 are due in installments established by the department of local government finance for that year.

The credit shall be applied to each installment of taxes. The dollar amount of the credit for each taxpayer shall be determined by the county auditor, based on data furnished by the department of local government finance.

(b) The tax liability of a taxpayer for the purpose of computing the credit for a particular year shall be based upon the taxpayer's tax liability as is evidenced by the tax duplicate for the taxes payable in that year, plus the amount by which the tax payable by the taxpayer had been reduced due to the application of county adjusted gross income tax revenues to the extent the county adjusted gross income tax revenues were included in the determination of the total county tax levy for that year, as provided in sections 2(g) and 3 of this chapter, adjusted, however, for any change in assessed valuation which may have been made pursuant to a post-abstract adjustment if the change is set forth on the tax statement or on a corrected tax statement stating the taxpayer's tax liability, as prepared by the county treasurer in accordance with IC 6-1.1-22-8(a). However, except when using the term under section 2(l)(1) of this chapter, the tax liability of a taxpayer does not include the amount of any property tax owed by the taxpayer that is attributable to that part of any property tax levy subtracted under section 2(g)(1)(B), 2(g)(1)(C), 2(g)(1)(D), 2(g)(1)(E), 2(g)(1)(F), 2(g)(1)(G), 2(g)(1)(H), 2(g)(1)(I), 2(g)(1)(J), ~~or~~ 2(g)(1)(K), **or 2(g)(1)(L)** of this chapter in computing the total county tax levy.

(c) The credit for taxes payable in a particular year with respect to mobile homes which are assessed under IC 6-1.1-7 is equivalent to the taxpayer's property tax replacement credit amount for the taxes payable with respect to the assessments plus the adjustments stated in this section.

(d) Each taxpayer in a taxing district that contains all or part of an economic development district that meets the requirements of section 5.5 of this chapter is entitled to an additional credit for property tax replacement. This credit is equal to the product of:

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(1) the STEP TWO quotient determined under section 4(a)(3) of this chapter for the taxing district; multiplied by

(2) the taxpayer's taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

SECTION 3. IC 20-14-7-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) For any public library established:

(1) by private donation;

(2) in a city having a population of more than one hundred twenty thousand (120,000) but less than one hundred fifty thousand (150,000);

(3) that contains at least twenty-five thousand (25,000) volumes;

(4) that has real property valued at at least one hundred thousand dollars (\$100,000); and

(5) that is open and free to the residents of the city;

a tax shall be levied and collected annually by the city according to IC 6-1.1.

(b) The city legislative body, **the trustees of the library, and the county library board established under this article in the county containing the city described in subsection (a)(2) may enter into an agreement and pass a resolution allowing the county library board to levy the tax required under subsection (a).**

(c) **The city or, if a resolution is passed under subsection (b), the county library board** shall levy the tax required under subsection (a) in an amount not less than sixty-seven hundredths of one cent (\$0.0067) ~~nor or~~ more than one and sixty-seven hundredths cents (\$0.0167) upon each one hundred dollars (\$100) of the assessed valuation of all the real and personal property in the city. ~~When the city levies this tax, it shall be treated as if it was a public library for purposes of IC 6-1.1-18.5-13, and it may increase its levy to the same extent as a public library under that section.~~

(d) **If a resolution is passed under subsection (b), the trustees of the library shall annually submit a proposed budget to the county library board. The county library board shall review the proposed budget and seek approval of the city legislative body prior to levying the tax.**

~~(c)~~ (e) The tax shall be paid to the trustees of the library, and the trustees shall expend the tax for the support, operation, and maintenance of the library **described in this section.** The trustees shall keep the tax separate from all other funds. The trustees shall record the amount of taxes received, to whom and when paid out, and for what purpose in a book kept by them. The trustees shall make an annual

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1 report of these matters to the legislative body of the city.

2 (f) For purposes of the property tax levy limits under
3 IC 6-1.1-18.5, if the county library board, under a resolution
4 adopted under subsection (b), levies the tax required under
5 subsection (a), the levy imposed under this section shall not be
6 included in the calculation of the maximum permissible property
7 tax levy for the public library.

8 SECTION 4. [EFFECTIVE JANUARY 1, 2006] IC 6-1.1-21-2 and
9 IC 6-1.1-21-5, both as amended by this act, apply to property taxes
10 first due and payable after December 31, 2005.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred House Bill 1701, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-21-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 2. As used in this chapter:

(a) "Taxpayer" means a person who is liable for taxes on property assessed under this article.

(b) "Taxes" means property taxes payable in respect to property assessed under this article. The term does not include special assessments, penalties, or interest, but does include any special charges which a county treasurer combines with all other taxes in the preparation and delivery of the tax statements required under IC 6-1.1-22-8(a).

(c) "Department" means the department of state revenue.

(d) "Auditor's abstract" means the annual report prepared by each county auditor which under IC 6-1.1-22-5, is to be filed on or before March 1 of each year with the auditor of state.

(e) "Mobile home assessments" means the assessments of mobile homes made under IC 6-1.1-7.

(f) "Postabstract adjustments" means adjustments in taxes made subsequent to the filing of an auditor's abstract which change assessments therein or add assessments of omitted property affecting taxes for such assessment year.

(g) "Total county tax levy" means the sum of:

(1) the remainder of:

(A) the aggregate levy of all taxes for all taxing units in a county which are to be paid in the county for a stated assessment year as reflected by the auditor's abstract for the assessment year, adjusted, however, for any postabstract adjustments which change the amount of the aggregate levy; minus

(B) the sum of any increases in property tax levies of taxing units of the county that result from appeals described in:

(i) IC 6-1.1-18.5-13(4) and IC 6-1.1-18.5-13(5) filed after December 31, 1982; plus

(ii) the sum of any increases in property tax levies of taxing units of the county that result from any other appeals

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- described in IC 6-1.1-18.5-13 filed after December 31, 1983; plus
- (iii) IC 6-1.1-18.6-3 (children in need of services and delinquent children who are wards of the county); minus
- (C) the total amount of property taxes imposed for the stated assessment year by the taxing units of the county under the authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed), IC 12-19-5, or IC 12-20-24; minus
- (D) the total amount of property taxes to be paid during the stated assessment year that will be used to pay for interest or principal due on debt that:
- (i) is entered into after December 31, 1983;
 - (ii) is not debt that is issued under IC 5-1-5 to refund debt incurred before January 1, 1984; and
 - (iii) does not constitute debt entered into for the purpose of building, repairing, or altering school buildings for which the requirements of IC 20-5-52 were satisfied prior to January 1, 1984; minus
- (E) the amount of property taxes imposed in the county for the stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus
- (F) the remainder of:
- (i) the total property taxes imposed in the county for the stated assessment year under authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus
 - (ii) the total property taxes imposed in the county for the 1984 stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus
- (G) the amount of property taxes imposed in the county for the stated assessment year under:
- (i) IC 21-2-15 for a capital projects fund; plus
 - (ii) IC 6-1.1-19-10 for a racial balance fund; plus
 - (iii) IC 20-14-13 for a library capital projects fund; plus

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- (iv) IC 20-5-17.5-3 for an art association fund; plus
- (v) IC 21-2-17 for a special education preschool fund; plus
- (vi) IC 21-2-11.6 for a referendum tax levy fund; plus
- (vii) an appeal filed under IC 6-1.1-19-5.1 for an increase in a school corporation's maximum permissible general fund levy for certain transfer tuition costs; plus
- (viii) an appeal filed under IC 6-1.1-19-5.4 for an increase in a school corporation's maximum permissible general fund levy for transportation operating costs; minus
- (H) the amount of property taxes imposed by a school corporation that is attributable to the passage, after 1983, of a referendum for an excessive tax levy under IC 6-1.1-19, including any increases in these property taxes that are attributable to the adjustment set forth in IC 6-1.1-19-1.5 or any other law; minus
- (I) for each township in the county, the lesser of:
 - (i) the sum of the amount determined in IC 6-1.1-18.5-19(a) STEP THREE or IC 6-1.1-18.5-19(b) STEP THREE, whichever is applicable, plus the part, if any, of the township's ad valorem property tax levy for calendar year 1989 that represents increases in that levy that resulted from an appeal described in IC 6-1.1-18.5-13(4) filed after December 31, 1982; or
 - (ii) the amount of property taxes imposed in the township for the stated assessment year under the authority of IC 36-8-13-4; minus
- (J) for each participating unit in a fire protection territory established under IC 36-8-19-1, the amount of property taxes levied by each participating unit under IC 36-8-19-8 and IC 36-8-19-8.5 less the maximum levy limit for each of the participating units that would have otherwise been available for fire protection services under IC 6-1.1-18.5-3 and IC 6-1.1-18.5-19 for that same year; minus
- (K) for each county, the sum of:
 - (i) the amount of property taxes imposed in the county for the repayment of loans under IC 12-19-5-6 (repealed) that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995, or for property taxes payable in each year after 1995, the amount determined under IC 12-19-7-4(b); and
 - (ii) the amount of property taxes imposed in the county attributable to appeals granted under IC 6-1.1-18.6-3 that is

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included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995, or the amount determined under IC 12-19-7-4(b) for property taxes payable in each year after 1995; **minus**

(L) the amount of property taxes imposed by a county library board under IC 20-14-7-6; plus

(2) all taxes to be paid in the county in respect to mobile home assessments currently assessed for the year in which the taxes stated in the abstract are to be paid; plus

(3) the amounts, if any, of county adjusted gross income taxes that were applied by the taxing units in the county as property tax replacement credits to reduce the individual levies of the taxing units for the assessment year, as provided in IC 6-3.5-1.1; plus

(4) the amounts, if any, by which the maximum permissible ad valorem property tax levies of the taxing units of the county were reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated assessment year; plus

(5) the difference between:

(A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR; minus

(B) the amount the civil taxing units' levies were increased because of the reduction in the civil taxing units' base year certified shares under IC 6-1.1-18.5-3(e).

(h) "December settlement sheet" means the certificate of settlement filed by the county auditor with the auditor of state, as required under IC 6-1.1-27-3.

(i) "Tax duplicate" means the roll of property taxes which each county auditor is required to prepare on or before March 1 of each year under IC 6-1.1-22-3.

(j) "Eligible property tax replacement amount" is equal to the sum of the following:

(1) Sixty percent (60%) of the total county tax levy imposed by each school corporation in a county for its general fund for a stated assessment year.

(2) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on real property for a stated assessment year.

(3) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on tangible personal property, excluding business personal

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property, for an assessment year.

(k) "Business personal property" means tangible personal property (other than real property) that is being:

- (1) held for sale in the ordinary course of a trade or business; or
- (2) held, used, or consumed in connection with the production of income.

(l) "Taxpayer's property tax replacement credit amount" means the sum of the following:

- (1) Sixty percent (60%) of a taxpayer's tax liability in a calendar year for taxes imposed by a school corporation for its general fund for a stated assessment year.
- (2) Twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on real property.
- (3) Twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on tangible personal property other than business personal property.

(m) "Tax liability" means tax liability as described in section 5 of this chapter.

(n) "General school operating levy" means the ad valorem property tax levy of a school corporation in a county for the school corporation's general fund.

SECTION 2. IC 6-1.1-21-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 5. (a) Each year the taxpayers of each county shall receive a credit for property tax replacement in the amount of each taxpayer's property tax replacement credit amount for taxes which:

- (1) under IC 6-1.1-22-9 are due and payable in May and November of that year; or
- (2) under IC 6-1.1-22-9.5 are due in installments established by the department of local government finance for that year.

The credit shall be applied to each installment of taxes. The dollar amount of the credit for each taxpayer shall be determined by the county auditor, based on data furnished by the department of local government finance.

(b) The tax liability of a taxpayer for the purpose of computing the credit for a particular year shall be based upon the taxpayer's tax liability as is evidenced by the tax duplicate for the taxes payable in that year, plus the amount by which the tax payable by the taxpayer had

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been reduced due to the application of county adjusted gross income tax revenues to the extent the county adjusted gross income tax revenues were included in the determination of the total county tax levy for that year, as provided in sections 2(g) and 3 of this chapter, adjusted, however, for any change in assessed valuation which may have been made pursuant to a post-abstract adjustment if the change is set forth on the tax statement or on a corrected tax statement stating the taxpayer's tax liability, as prepared by the county treasurer in accordance with IC 6-1.1-22-8(a). However, except when using the term under section 2(l)(1) of this chapter, the tax liability of a taxpayer does not include the amount of any property tax owed by the taxpayer that is attributable to that part of any property tax levy subtracted under section 2(g)(1)(B), 2(g)(1)(C), 2(g)(1)(D), 2(g)(1)(E), 2(g)(1)(F), 2(g)(1)(G), 2(g)(1)(H), 2(g)(1)(I), 2(g)(1)(J), ~~or~~ 2(g)(1)(K), **or 2(g)(1)(L)** of this chapter in computing the total county tax levy.

(c) The credit for taxes payable in a particular year with respect to mobile homes which are assessed under IC 6-1.1-7 is equivalent to the taxpayer's property tax replacement credit amount for the taxes payable with respect to the assessments plus the adjustments stated in this section.

(d) Each taxpayer in a taxing district that contains all or part of an economic development district that meets the requirements of section 5.5 of this chapter is entitled to an additional credit for property tax replacement. This credit is equal to the product of:

- (1) the STEP TWO quotient determined under section 4(a)(3) of this chapter for the taxing district; multiplied by
- (2) the taxpayer's taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5."

Page 2, after line 28, begin a new paragraph and insert:

"SECTION 4. [EFFECTIVE JANUARY 1, 2006] IC 6-1.1-21-2 and IC 6-1.1-21-5, both as amended by this act, apply to property taxes first due and payable after December 31, 2005."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1701 as introduced.)

HINKLE, Chair

Committee Vote: yeas 8, nays 2.

C
O
P
Y

